S 368.122 N7nfi 1990?
The National Flood Insurance Program (NFIP)

MONTANA STATE LIBRARY
S 368.122 N7nfi 1990? c.1
The National Flood Insurance Program (NF
3 0864 00069231 2

THE NATIONAL FLOOD INSURANCE PROGRAM (NFIP):

PROTECTION FOR YOUR COMMUNITY

Benefits to Your Community for Participating in the NFIP

There are many good reasons to participate in the National Flood Insurance Program. The main reasons are listed below.

1. If your community participates in the program, federal flood insurance coverage is available to property owners anywhere within your community. This flood insurance is available at an artificially low rate because it is federally subsidized. Flood insurance underwritten by a private carrier is virtually unattainable.

2. When flood insurance coverage is available, federal loans can be made on residential or commercial structures within the designated 100-year floodplain. This includes Federal Housing Administration loans, Small Business Administration loans, Veterans Administration loans, and secondary mortgage market loans. These type of loans are unavailable in the floodplain areas of nonparticipating communities, with floodplains designated by the Federal Emergency Management Agency (FEMA). Buyers or developers must look for alternate financing.

3. Your community will bear less responsibility for disaster assistance to flood victims when property owners in your community carry flood insurance.

4. Federal and state disaster assistance is available to flood victims who live in communities that participate in the NFIP. However, if a community with floodplains designated by FEMA chooses not to participate in the NFIP, then the residents will not be eligible for most types of state and federal disaster assistance. In addition, the maximum amount that insurance would have covered will be deducted from disaster assistance grants for uninsured public buildings in the floodplain. This includes all insurable buildings, such as libraries, courthouses, jails, fire stations, and maintenance shops.

5. The floodplain management regulations your community adopts to participate in the program are designed to reduce the future health hazards and property damage caused by flooding. Only residents of the floodplain are affected by these regulations. This means floodplain owners, rather than the entire community, take responsibility for the consequences of living in a flood zone.

6. Once flood-prone areas have been identified in your community, it is only prudent to join the NFIP. Otherwise the local government may be held liable by uninsured property owners who are denied disaster assistance when a flood occurs. By participating in the NFIP, your local government could avoid these liabilities.

Joining the NFIP

It is not difficult to become a member of the NFIP, and there is no fee to join. Your community must adopt and enforce a floodplain management ordinance in return for receiving the benefits of participating in the NFIP. The floodplain ordinance will ensure that new structures are not built in high flood-hazard areas, and that structures built in the floodplain outside high flood-hazard areas will be designed to be safe from or withstand a 100-year flood. The Floodplain Management Section at DNRC provides a model ordinance that incorporates state floodplain regulations with NFIP standards.

For more information on the NFIP contact:

Floodplain Management Section
Engineering Bureau
Department of Natural Resources
and Conservation
1520 East 6th Ave.
Helena, Montana 59620-2301
(406) 444-6646

or

Natural Hazards Division
FEMA, Region VIII
Building 710
P.O. Box 25267
Denver Federal Center
Denver, CO 80225-0267
(303) 235-4830

Department of Natural Resources
and Conservation
1520 East Sixth Avenue
Helena, Montana 59620-2301